

Message Text

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ACTION EB-08

INFO OCT-01 ARA-06 ISO-00 AGRE-00 CIAE-00 COME-00 INR-07

NSAE-00 SP-02 STR-04 TRSE-00 FRB-03 OMB-01 ITC-01

PA-01 PRS-01 USIA-06 SS-15 NSC-05 L-03 H-01 /065 W

-----082144Z 075801 /73

R 081848Z MAR 77

FM AMCONSUL RIO DE JANEIRO

TO SECSTATE WASHDC 4691

INFO AMEMBASSY BRASILIA

AMCONSUL SAO PAULO

LIMITED OFFICIAL USE RIO DE JANEIRO 1100

DEPT PASS FAS/USDA

EO 11652: N/A

TAGS: EAGR BR

SUBJ: MARCH 5 BRAZILIAN COFFEE INSTITUTE (IBC) RESOLUTIONS

SUMMARY: IBC HAS RAISED 1) THE MINIMUM EXPORT PRICE OF GREEN COFFEE BY 50 CENTS PER POUND; 2) THE CONTRIBUTION QUOTA ON GREEN COFFEE EXPORTS BY US\$13 PER BAG; 3) THE MINIMUM EXPORT PRICES OF SPRAY-DRIED AND FREEZE-DRIED SOLUBLE COFFEE BY US\$2 PER POUND EACH; 4) THE CONTRIBUTION QUOTA ON SOLUBLE COFFEE EXPORTS BY US\$1.20 PER POUND. THESE PROVISIONS ARE EFFECTIVE MARCH 7, 1977 FOR ALL SHIPMENTS MADE UNTIL JUNE 30, 1977. END SUMMARY.

1. IBC RESOLUTION 09/77 RAISES 1) THE MINIMUM EXPORT PRICE FOR GREEN, DECAFEINATED GREEN, AND EQUIVALENT GROUND/ROASTED COFFEE FROM US\$2.30 TO US\$2.80 PER POUND AND 2) THE CONTRIBUTION QUOTA ON EXPORTS OF ABOVE COFFEE FROM US\$107 TO US\$120 PER 60 KILO BAG. THIS RESOLUTION ALSO STIPULATES THAT EXPORTERS MUST DEPOSIT US\$20, TO BE CREDITED AGAINST THE CONTRIBUTION QUOTA, WITHIN 48 HOURS FROM REGISTERING THE SALE. THIS AMOUNT WILL NOT BE REFUNDED IF THE SALE IS CANCELLED.

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2. IBC RESOLUTION 10/77 1) RAISES THE MINIMUM EXPORT PRICE FOR SOLUBLE COFFEE AS FOLLOWS:

A) SPRAY-DRIED: FROM US\$5.00 TO US\$7.00 PER POUND;

B) FREEZE-DRIED: FROM US\$6.00 TO US\$8.00 PER POUND.. 2) RAISES

THE CONTRIBUTION QUOTA ON ALL SOLUBLE COFFEE EXPORTS FROM US\$2.00 TO US\$3.20 PER POUND.

3. IBC PRESIDENT CALAZANS TOLD THE PRESS THAT THE CONTRIBUTION QUOTA INCREASE HAS TWO MAJOR OBJECTIVES: PRESERVATION OF DOMESTIC CONSUMPTIONS SINCE THE QUOTA USE WILL, IN EFFECT, FREEZE THE INTERNAL PRICE; AVOIDANCE OF INFLATIONARY PRESSURES RESULTING FROM LARGER CRUZEIRO RETURNS TO THE COFFEE SECTOR.

4. PRESS AND TRADE COMMENTS: APPARENTLY, IBC DIRECTOR WAS DEEPLY DISTURBED BY THE BEHAVIOR OF CERTAIN COFFEE EXPORTERS WHO, ON MARCH 1ST REGISTERED LARGE QUANTITIES OF COFFEE WITH IBC FOR EXPORT IN THE EXPECTATION OF SUBSTANTIAL INCREASE IN THE CONTRIBUTION QUOTA AND THE MINIMUM EXPORT PRICE. A TOTAL OF ONE MILLION BAGS IS REPORTED TO HAVE BEEN REGISTERED. LATER VERIFICATION INDICATED THAT, OF THIS TOTAL, ONLY 200 THOUSAND BAGS WERE ACTUALLY SOLD. THIS INCIDENT APPARENTLY TRIGGERED THE SEVERE PENALTY (\$20 ADVANCE ON THE CONTRIBUTION QUOTA) NOW IMPOSED ON CANCELLED REGISTRATION OF COFFEE SALES. THE SUNDAY SAO PAULO PRESS REPORTED THAT PARANA COFFEE EXPORTERS PREDICTED THE NEW INCREASES IN COFFEE PRICES THAT TOOK PLACE AFTER MARCH 7 IN THE INTERNATIONAL MARKET. BESIDES EXISTENCE OF REDUCED COFFEE SUPPLIES, THEY SAID THAT THE PRICE INCREASES HAD BEEN INFLUENCED BY THESE RECENT IBC MEASURES (IE INCREASE OF MINIMUM EXPORT PRICE AND INCREASE OF CONTRIBUTION QUOTA).

5. EMBASSY CONCURS.
DEXTER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COFFEE, PRICES
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Handling Restrictions: n/a
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Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3176626
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Status: NATIVE
Subject: MARCH 5 BRAZILIAN COFFEE INSTITUTE (IBC) RESOLUTIONS SUMMARY: IBC HAS RAISED 1) THE MINIMUM EXPORT PRICE OF GREEN COFFEE BY 50 CENTS PER POUND; 2) THE CONTRIBUTION
TAGS: EAGR, ETRD, BR
To: STATE
Type: TE
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Review Markings:
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